

## Message Text

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ACTION EA-10

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 DODE-00 PM-03

H-02 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02

SS-15 USIA-06 IGA-01 OMB-01 TRSE-00 /075 W

----- 078912

P R 270935Z JUN 75

FM AMEMBASSY VIENTIANE

TO SECSTATE WASHDC PRIORITY 4592

INFO AMEMBASSY BANGKOK

AMEMBASSY PARIS

AMCONSUL UDORN

CINCPAC

DEPCHJUSMAGTHAI UDORN

USSAG/7TH AF NKP

LIMITED OFFICIAL USE VIENTIANE 4582

BANGKOK ALSO FOR RAMSEY, USAID/LAOS

CINCPAC FOR POLAD

E.O. 11652: N/A

TAGS: PFOR, EAID, PINT, LA, US

SUBJ: CONVERSATION WITH PRIME MINISTER ON USAID DISSOLUTION

1. PRIME MINISTER SOUVANNA PHOUMA RECEIVED ME MORNING OF JUNE 27 AT MY REQUEST. MY PRINCIPAL PURPOSE, I EXPLAINED, WAS TO INSURE HE UNDERSTOOD U.S. POSITION RE WHOLE USAID ISSUE. IN SUMMARY, I EMPHASIZED AGREEMENT FROM BEGINNING ON BASIC ISSUES (TERMINATION OF USAID, WITHDRAWAL OF PERSONNEL, TRANSFER OF AID) BUT AFTER SEVERAL WEEKS OF FRUITLESS NEGOTIATIONS, IT EVIDENT DISAGREEMENT BETWEEN TWO GOVERNMENTS REMAINED OVER OWNERSHIP OF USAID PROPERTIES, MATERIALS AND EQUIPMENT AND CONSEQUENT DISAGREEMENT OVER PROCEDURE. AS A RESULT, SINCE WE WANTED TO HONOR JUNE 30 DEADLINE, WE HAVE ABANDONED CONTROL OF ALL THESE THINGS, RESERVING,  
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HOWEVER, OUR RIGHTS; AND ALL USAID PERSONNEL HAVE NOW

LEFT LAOS. I EMPHASIZED EXECUTIVE BRANCH HAD NO LATITUDE IN PROCEEDING BEYOND WHAT IS ESTABLISHED BY LAW. I SHOWED HIM NOTE. HIS ONLY COMMENT WAS THAT "THIS WAS THE BEST SOLUTION."

2. I THEN EXPLAINED HOW OUR NOTE HAD JUST PRECEDED THAT OF MFA, TONE OF WHICH WE FOUND HARD AND I SHOWED IT TO HIM. HE GLANCED AT IT BUT MADE NO COMMENT, AND GAVE NO CLUE AS TO WHETHER HE HAD SEEN IT BEFORE. (MY HUNCH IS THAT HE HAD NOT; HE WOULD HAVE OTHERWISE SAID THAT HE KNEW ABOUT IT.)

3. I SUMMARIZED SITUATION BY SAYING THAT IN EFFECT BOTH GOVERNMENTS RECOGNIZED SITUATION OF FACT. HOWEVER, THERE STILL SEEMED DIFFICULTY IN TURNING OVER KEYS TO PGNU. I RECOUNTED BRIEFLY YESTERDAY'S EVENTS AND SAID I WAS MEETING AT 4 P.M. WITH MINISTER OF ECONOMY SOTH AND HOPED TO RESOLVE THIS SMALL MATTER THEN. I ALSO POINTED OUT THAT THERE WERE QUITE A FEW THINGS ON USAID COMPOUND THAT HAD NOTHING TO DO WITH USAID, E.G., COMMISSARY, AND HOPED THAT WE COULD BRING THESE THINGS OUT. HE DID NOT RESPOND UNTIL LATER WHEN I WAS LEAVING, BUT THEN SAID THAT HE WOULD CALL SOTH IN AT 3 P.M., AND THAT THERE SHOULD BE NO DIFFICULTIES AS REGARDS THE KEYS AND NON-USAID GOODS.

4. HE THEN REPEATED THAT THE SOLUTION ADOPTED WAS THE ONLY FEASIBLE ONE AND THAT THE USAID MATTER WAS NOW ENDED. HE WENT ON TO COMMENT THAT THIS WAS A PERIOD OF TRANSITION. COUNTRY WAS BEING REUNIFIED PEACEFULLY; ARMED FORCES WERE BEING INTEGRATED; THESE WERE REASONS HE HAD INVITED PL INTO THE CITIES. THERE IS NOW "AN EXPLOSION OF JOY," BUT THINGS ARE WORKING OUT. THERE HAS BEEN NO VIOLENCE; AND HE IS THEREFORE LETTING SITUATION RIDE. ELECTIONS WOULD BE HELD AT END OF 1976 AFTER WHICH HE WOULD RESIGN. AFTER THAT, HE THREW HIS HANDS UP IN THE AIR IN AN EXPRESSION INDICATING HE DID NOT KNOW WHAT WOULD HAPPEN AND WOULD NOT BE RESPONSIBLE.

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5. IN COURSE OF CONVERSATION, HE MENTIONED HE HAD RECEIVED TELEGRAM YESTERDAY THAT PHOUMI HAD A HEART ATTACK IN VIENG SAY. SOUVANNA SEEMED TO KNOW LITTLE MORE BUT EVIDENTLY DID NOT THINK IT WAS SERIOUS.

6. FINALLY, IN ANSWER TO MY QUESTION REGARDING MANY RUMORS OF HIS MOVEMENTS, HE FULMINATED BRIEFLY AGAINST BANGKOK PRESS THAT HAD HIM LEAVING SECRETLY FOR

FRANCE JUNE 24 AND THEN SAID HE WOULD ACCOMPANY KING  
TO FRANCE ON VISIT NOW SET FOR AUGUST 26.

7. COMMENT: SOUVANNA WAS RELIEVED BY POSITION WE  
HAD TAKEN AS HE WAS CLEARLY TENSE AT BEGINNING, AND  
I HOPE CONVERSATION WILL HELP RESOLVE IMMEDIATE ISSUES.  
AS TO HIS VIEWS ON SITUATION IN COUNTRY, NO PURPOSE  
IS SERVED IN TRYING TO DISABUSE HIM. HE WOULD RESENT  
IT AND IF HIS ILLUSIONS WERE DISPELLED, THERE IS  
NOT MUCH HE CAN DO.  
CHAPMAN

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## Message Attributes

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